



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - Public distribution

**Date:** 11/18/2008

**GAIN Report Number:** TH8186

## Thailand

### Grain and Feed

### Weekly Rice Price Update

**2008**

**Approved by:**

Gary Meyer, Agricultural Counselor  
U.S. Embassy

**Prepared by:**

Ponnarong Prasertsri, Agricultural Specialist, Maysa Kunasirirat, Agricultural Assistant

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**Report Highlights:**

Domestic and export prices continued to increase by 3-5 percent for white rice and 12 percent for fragrant rice due to temporarily tight exportable supplies. Exporters are aggressively fulfilling outstanding contracts of premium white rice to Iran and Iraq. Price increases will likely level off when the Government finalizes the intervention stock tender of 3 million tons. Negotiations are expected to conclude within this month but for only 1.8 million tons of old-crop intervention stocks.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Trade Report  
Bangkok [TH1]  
[TH]

**Indicative Prices (Week Ending Nov. 17):**

Thailand: Export (FOB) Prices for various grades of rice (USD/M.T.)									
	Exporter Observations							Period Avg.	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	830	800	845	-	800	770	-	809	724
WR 100 B	550	600	600	580	590	595	580	585	568
PB 5%	-	585	580	570	590	575	570	578	559
WR 5%	540	585	580	570	560	555	570	566	547
WR 10%	525	-	-	-	-	545	-	535	512
WR 15%	470	-	-	-	-	515	-	493	470
WR 25%	445	-	-	-	-	465	-	455	433
WR 35%	-	-	-	-	-	-	-	-	-
A 1 SUP	295	-	-	-	310	330	320	314	305
A 1 SPEC	-	-	-	-	-	-	-	-	-
Source: Average actual prices received from exporters, Exchange rate: 34.8 baht/U.S.\$									

**Market Tone**

Domestic and export prices continued to increase by 3-5 percent for white rice and 12 percent for fragrant rice due to temporarily tight exportable supplies. Exporters are aggressively fulfilling outstanding contracts of premium white rice to Iran and Iraq. Other foreign buyers, particularly China, are currently placing orders for new-crop fragrant rice. Meanwhile, current fragrant rice supplies are tighter due to flood related harvest delays. Additionally, millers participating in the government intervention program are aggressively securing supplies for commercial sales and delivery into the government's intervention program.

Last week's farm-gate fragrant rice paddy prices of 11,000 baht/ton (\$316/MT) have rebounded to 14,000 – 15,000 baht/ton (\$402-\$431/MT) which is close to the MY2008/09 intervention prices of 15,000 baht/ton (\$431/MT). Meanwhile, the MY 2008/09 intervention program for white rice paddy has begun with over 200,000 tons of white rice paddy entering government stocks thus far. The state-owned Krung Thai Bank will provide a portion of the credit line for the Bank for Agriculture and Agricultural Cooperative (BAAC) to support the intervention program by the end of this week. Presently, farm-gate prices of white rice paddy are 1,000 – 2,000 baht/ton (\$29-\$57/MT) lower than the intervention prices of 10,800 - 12,000 baht/ton (\$310-\$345/MT).

As for the November 5 tender of 3 million tons of government stocks, the Government will likely release only 1.8 – 2.1 million tons by the end of this month, all of which are old-crop intervention stocks (MY2004/05-2006/07). Bidding prices are expected to be finalized at 18,000 – 19,000 baht/ton (\$517-\$546/MT) for fragrant rice. All 483,000 tons of old-crop fragrant rice will be released for domestic sales. Meanwhile, old-crop white rice prices are being negotiated at around 15,000 baht/ton (\$431) for 25% grade white rice, which is reportedly 500 – 1,000 baht/ton (\$14-\$29/MT) higher than the cost the rice was absorbed at. However, the balance of the tender, which is MY2007/08 second crop, will not be released as bidding prices were less than half the government absorption price.

The following are the reported rice exports (as is basis):

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	%
Sept 21	125,818	135,472	6,250	3,866	61.7
Sept 28	133,622	130,240	6,384	4,060	57.3
Oct 5	88,544	119,470	6,472	4,238	52.7
Oct 12	96,178	111,040	6,569	4,411	48.9
Oct 19	132,978	112,830	6,702	4,604	45.6
Oct 26	71,415	97,279	6,773	4,807	41.0
Nov 2	54,637	64,757	6,754	5,005	36.4
Nov 9	81,977	85,252	6,836	5,209	31.2
Nov 16	87,896	73,981	6,997	5,405	29.4

*Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.*

Unofficial exports (excluding fragrant rice) for Nov. 10-16, 2008 totaled 87,896 up 5,918 the previous week, and up 13,914 from the four-week moving average of 73,981 tons. Exports during Jan. 1 – Nov. 16, 2008 totaled 6,997,478 tons, as compared with 5,404,819 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1 – Nov. 7, 2008, amounted to 9,101,241 tons, up 20.75 percent from 7,536,989 tons in the previous year.

## Weekly Rice Sales

Private registered rice export sales for the period of Oct. 27-31, Nov. 3-7, and Nov. 10-14 are as follows:

Movement (MT)	Oct. 27-31	Nov. 3-7	Nov. 10-14
Weekly sales	67,640	80,650	30,795
4 week sum	260,387	234,835	212,435
4 week mov. avg.	65,097	58,709	53,109
Total weekly sales	6,153,247	6,233,897	6,264,692

End of Report.